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Common services

Report of the Secretary-General*

Summary

Pursuant to General Assembly resolution 54/249 of 23 December 1999, paragraph 171, the Secretary-General has the honour to submit a report on the review of common services.

Following the announcement of the Secretary-General's reform measures in March 1997, the Task Force on Common Services was launched in New York under the convenership of the Assistant Secretary-General for Central Support Services, in his capacity as Executive Coordinator for Common Services, with the participation of Departments from the Secretariat and the funds and programmes including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations Office for Project Services (UNOPS), the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR). Eleven working groups were established comprising legal services, financial (treasury) services, procurement services, printing services, facilities management, travel and transport services, archives and records management, security and safety services, personnel services, the Integrated Management Information System (IMIS) and information technology and telecommunications.

* Delay in submission is attributed to required internal consultations and review between the participating common service organizations, the members of the Task Force on Common Services and the chairpersons of the technical working groups under the common services initiative.

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Given the location-specific nature of common services, it was determined that the Task Force should focus its attention on New York. Results achieved were disseminated to Geneva and Vienna, and offices away from Headquarters. The Task Force worked closely with the United Nations Development Group (UNDG) on common services in country offices, the Inter-Agency Procurement Working Group (IAPWG) and other inter-agency forums, as well as with the Joint Inspection Unit (JIU).

Considerable progress was made over the last three and a half years, as a result of the active participation and commitment of the concerned organizations. Major accomplishments are evident in procurement, travel and transport services, human resources and IMIS. The Task Force has decided to establish a two-year project for a Common Services Support Unit to be attached to the Executive Coordinator, to be jointly financed by the Secretariat (40 per cent) and UNDP, UNICEF, UNFPA and UNOPS (together 60 per cent).

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I. Introduction

1. In his report of 14 July 1997 entitled "Renewing the United Nations: a programme for reform" (A/51/950), the Secretary-General established the strengthening of common services as one of his reform initiatives. It was indicated that the Secretary-General would strive "... to strengthen existing common services and to expand the provision of services on a consolidated basis where this can result in more effective and efficient services". It was explained that "... the objective is to ensure that support services are cost-effective, high-quality and timely, provided on a competitive basis and result in full client satisfaction". It was also indicated that there would be a move to establish one or more common service facilities at United Nations Headquarters in New York, Geneva and Vienna.

2. In its report on the review of common services in the United Nations (A/54/157), the Office of Internal Oversight Services (OIOS) identified some of the barriers to the expansion of common services as follows:

- "The different mandates of the intergovernmental bodies of the organizations of the United Nations system";
- "The system's culture of 'turf protection' and the lack of faith among organizations that one organization will protect the interests of the others";
- "The lack of interaction and communication at the highest levels, that is to say, among heads of organizations".

These constraints have been taken into consideration in the implementation of common services endeavours.

3. In keeping with the Secretary-General's approach, it was decided to focus initial attention on New York where the United Nations and the funds and programmes, which are under the authority of the Secretary-General, including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the United Nations Office for Project Services (UNOPS), are headquartered. It is expected that the achievement of tangible results in New York will facilitate the launching of similar initiatives in Vienna and Geneva, where common services already exist in various forms, as well as in other locations.

4. It was recognized that common services must be addressed in the context of divergent priorities, interests, mandates and practices of the concerned organizations, and that the development of a setting as well as management mechanisms conducive to dialogue is a prerequisite of common service efforts. Furthermore, it became evident that common services would have to be location-specific and demand-driven, requiring sufficient buy-in, ownership and commitment among the participating organizations.

5. The most significant achievement of the Task Force on Common Services to date has been the creation of a culture of collaboration and an atmosphere conducive to common services. The Task Force, with its emphasis on participatory leadership — particularly within the technical working groups — has fostered a demand-driven approach that emphasizes best practices. This, in turn, has led to concrete action and tangible results. The Task Force also has sought to build on common interests and concerns, and endeavoured to harmonize policies and practices of the participating organizations.

A. Background

6. Following the Secretary-General's announcement of his reform measures in March 1997, the Under-Secretary-General for Management entrusted the Assistant Secretary-General for Central Support Services to convene a Task Force on Common Services, consisting of Secretariat Departments (the Department of Management, the Department of Peacekeeping Operations, the Department of General Assembly Affairs and Conference Services, the Office of Legal Affairs, the Department of Public Information and the Department of Humanitarian Affairs), as well as UNDP, UNICEF, UNFPA, UNOPS, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP). The Task Force established 11 technical working groups: in legal services; archives and records management; facilities management; financial services; the Integrated Management Information System (IMIS); information technology and telecommunication; printing services; personnel services; procurement services; travel and transport; and security and safety.

7. In September 1997, an Assistant Secretary-General was appointed to be the Executive Coordinator for Common Services on a full-time basis. The Executive Coordinator took over the convenership of the Task Force from the Assistant Secretary-General for Central Support Services, Department of Management, and directed the working groups, with the support of a seconded staff member from UNOPS, until December 1997. In January 1998, the Task Force endorsed a "Common Services Strategy Paper" prepared by the Executive Coordinator, which was to serve as an overall framework and plan of action (see annex). This strategy paper established a distinction between:

- Central services or services that are provided to various entities within the same organization, in this case the United Nations, and are carried out within direct line authority;
- Common services or services that are shared by an organization with one or more other organizations within the United Nations system (that is to say, the Secretariat, funds and programmes and specialized agencies) through either formal or informal mechanisms.

The concept paper also elaborated on elements of the strategy, which established the parameters for the future common service activities, as will be explained below.

8. In March 1998, the Executive Coordinator assumed the position of Assistant Secretary-General for Central Support Services, thus combining the responsibility for both the central and common services. In June 1998, UNICEF seconded a staff member for a period of two years to support the Executive Coordinator.

9. In October 1998, based on a review of the work of the Task Force and its working groups, the Executive Coordinator introduced changes to the membership of the Task Force so as to give a more prominent role to the funds and programmes, and to balance the representation in the Task Force. The revised Common Services Task Force,[1] constituted at an appropriately senior level to ensure efficient decision-making, was accorded the responsibility of:

- Reviewing the implementation of an overall common services strategy; and taking action on changes required including modalities of implementation;
- Reviewing technical working group proposals and recommendations on common services, including proposals for external funding;
- Recommending policy initiatives or actions that will establish or reinforce a common services approach;
- Securing support and mobilizing resources, as necessary, within individual organizations and entities for the implementation of decisions taken.

10. Work within the Task Force has demonstrated the considerable diversity in the procedures and approaches of the Secretariat and the funds and programmes. This emphasized the need for the application of a collaborative and consultative strategy that fostered openness and ensured ownership among all of the participants. It was evident that participating organizations would need to maximize more in respect of working with their commonalities, rather than of emphasizing their differences. The atmosphere of collaboration and openness among the organizations has improved considerably. Nonetheless, this approach has demonstrated its own limitations. The role of Executive Heads will be key to the future common services endeavours.

B. Conceptual framework

11. The importance of adopting an approach that favours best practices is the central philosophy of the Common Services Strategy Paper referred to in paragraph 7 above. The paper established the conceptual framework for the Task Force on Common Services. It was endorsed by the Joint Inspection Unit (JIU) and the high-level Consultative Committee on Administrative Questions (CCAQ), and was shared with offices away from Headquarters and at other locations.

12. There are four elements in the common service strategy. They consist of:

- Improvement of central services: sound central services are seen as a prerequisite of, and a springboard for, efficient and successful common services;

- Implementation of common service approaches: the service provider and users reach a common agreement on the scope of services, quality and timeliness expected, decision-making mechanisms and compensation formulae pertaining to the common service function;
- Coordination of activities: the project interacts with other key bodies such as the United Nations Development Group (UNDG), CCAQ (high-level), the Inter-Agency Procurement Working Group (IAPWG) and JIU on policy, coordination and process issues;
- Promotion of common services beyond New York: based on achievements in New York, consideration is to be given to dissemination of results to, and possible replication of practices in, Geneva, Vienna, the regional commissions, Nairobi and other offices away from Headquarters under the direct coordination of their respective heads of offices.

13. In recognition of the need to capitalize on efficient practices and approaches where they exist, it was agreed that, in certain instances, the adoption of a "lead agency" could be considered, whereby an organization other than the Secretariat could provide common services to the participating organizations. Conversely, the Secretariat could also be a service provider to the other organizations. In all instances, common services should be provided based on effective and efficient central services within the provider organization. Service providers and users must agree on the scope of services to be provided, quality and timeliness parameters, decision-making mechanisms and compensation formulae.

14. In view of the considerable diversity in the procedures and approaches between the Secretariat and the funds and programmes, it is highly desirable to attempt to harmonize regulations, rules and procedures among the participating organizations to the maximum extent possible. This will provide a sound foundation for common services arrangements.

C. Common services working groups

15. There were originally 11 working groups. Subsequently, the Task Force discontinued the technical working group on legal services in view of the ongoing service provider/user arrangement between the Secretariat and the funds and programmes. Similarly, the working group on safety and security was discontinued because it was concluded that it had reviewed a purely central service function.

16. The leadership of all the working groups had originally been vested in the Secretariat, with the exception of that on procurement services, which was assigned to UNOPS. However, following the reorganization of the Task Force, in October 1998, the Executive Coordinator decided that co-chairing arrangements with the funds and programmes for some of the working groups would be beneficial.

17. The current status of the working group, including the chairmanship, is summarized in the table below.

18. The Task Force has agreed that the working groups will be discontinued or phased out as soon as their objectives are accomplished and/or alternative networking arrangements established. Any of the working groups will be terminated if desired results cannot be obtained, or if insufficient interest exists among the participating organizations. Additional working groups may also be established in the future to address new priorities as they arise.

19. To date, four out of nine working groups have performed well and produced tangible results. They are the working groups on procurement, personnel service, travel and transport and IMIS. Similar progress has been achieved in the working groups on archives and records management, and financial (treasury) services. On the other hand, no notable progress was made in the working groups on facilities management, information technology and telecommunications (ITT) and printing services.

Technical working groups of the Task Force on Common Services

Working group	*Chairperson*	*Objectives*
1. Archives and records management	United Nations Secretariat/ UNICEF	Establishment of a Common United Nations Archives and Research Centre; introduction of electronic archiving and the harmonization of United Nations archival policies and procedures
2. Facilities management	UNDP	Networking on common contractual service arrangements
3. Financial services (treasury)	United Nations Secretariat	United Nations investment policy development; establishment of a common United Nations Treasury Support Unit or alternative similar joint treasury arrangements
4. Integrated Management Information Systems (IMIS)	United Nations Secretariat	Governance framework and structure for IMIS together with funds and programmes
5. Information technology and telecommunications (ITT)	United Nations Secretariat	Establishment of joint initiatives; linkages with the Information Systems Coordination Committee (ISCC)
6. Printing services	United Nations Secretariat	Extension of United Nations printing services to funds and programmes
7. Personnel services	United Nations Secretariat	Harmonization of human resource entitlements and their implementation
8. Procurement services	UNFPA (previously UNOPS)	Revised financial regulations, rules for procurement; and joint procurement contracts and services; professional training, ethics code, value-for-money concept
9. Travel and transport services	UNICEF	New contract for United Nations travel services and corporate credit card; harmonization of practice of travel entitlements

20. The key determinants for success are substantive and managerial in nature, as well as personal. They include leadership, innovative thinking, commitment, and time and effort of the working group members, as well as cooperation and support of senior staff of the respective organizations. Participation in the common services working groups is ongoing and requires a considerable amount of time of the concerned staff of the Secretariat and the funds and programmes who also have full-time responsibility in their respective organizations.

D. Outreach and coordination

21. As was stated earlier, common services endeavours are location-specific and demand-driven. In this respect, it is important that the work of the Task Force on Common Services in New York be shared with other locations away from Headquarters, and that its work be coordinated with other reform endeavours, including inter-agency forums. The Executive Coordinator can be a facilitator for other locations away from Headquarters and a repository of information on common services experiences.

22. The United Nations Development Group (UNDG) has taken steps to establish common premises, or a "United Nations House", in many countries. The Executive Coordinator for Common Services has taken steps to establish close and regular contacts with UNDG. The Common Service team assisted UNDG, in March 2000, to develop and facilitate the first global UNDG workshop on common services for country offices. Further coordination with UNDG is essential, as common premises and services are closely related and mutually complementary. It is recognized that common services efforts at the country level require strong policy support from the respective headquarters of the concerned organizations including the specialized agencies.

23. The United Nations Office at Nairobi (UNON) and the regional commissions headquartered in Bangkok and Beirut have begun to implement common services activities particularly in the area of joint procurement services following the example of the Working Group on procurement in New York. The United Nations University (UNU) in Tokyo has recently succeeded in establishing a United Nations House on its premises, and is actively exploring common support services arrangements with the organizations on the premises.

24. As for the United Nations Office at Geneva (UNOG) and the United Nations Office at Vienna (UNOV), the principle emphasis has been on ensuring information-sharing on common services activities in New York. The Executive Coordinator will render support to Geneva for the implementation of the JIU recommendation on the establishment of an inter-agency Management Ownership Committee.

25. In view of the relevance of the ongoing work of IAPWG, whose membership encompasses the United Nations, funds and programmes, specialized agencies, and international financial institutions, a formal linkage was established, in May 1998, between IAPWG and the Executive Coordinator to facilitate the exchange of information on procurement reform issues.

E. Monitoring of performance: establishment of a monitoring and evaluation framework

26. At the recommendation of the Task Force, a pilot workshop on the Common Services Evaluation Framework was held in February 2000 with the objective of identifying criteria for measuring performance in the implementation of common services. A pilot exercise was conducted within the working groups for procurement and transport/travel services with a view to developing common performance indicators relevant to their respective technical areas.

27. Common service delivery is difficult to manage and service levels are often difficult to specify. This is because perceptions of quality on the part of the user tend to be subjective and the benefits of the services are often partially intangible. The process of defining "good service" in each common services area therefore had to become process-based, with negotiations taking place among the participating organizations. Work on developing performance measurements has begun and is focused on measuring:

- Performance with respect to the achievement of quality and standards specified;
- Volume or quantity of services;
- Demand-orientation and the extent to which services are meeting client expectations;
- Cost-effectiveness of services provided.

28. The establishment of an effective joint framework for monitoring performance has been difficult to accomplish because of the autonomy of the participating organizations and of horizontal relationships which are inherent in the matrix-style network constituted among these organizations. The travel and transport working group issued in July 2000 a draft set of generic performance indicators that are considered applicable to the participating organizations. Similarly, the facilities management

working group is developing performance measurement indicators through an inter-agency initiative on benchmarking.

II. Initiatives taken and results achieved

A. Intangibles

29. The most important achievement to date has been the creation of a "one United Nations" culture among the participating organizations in common service efforts in New York. A working norm of referral and coordination based on equal partnership, among the representatives of the Secretariat and the funds and programmes, now exists. Responsibilities in leading some key technical working groups are now shared with the funds and programmes. Rather than be a "top-down" mechanism, the common services endeavour has developed into a demand-driven process. Instead of stressing differences between organizations, this inter-agency effort seeks to capitalize on common concerns and interests. Exchange of information and identification of best practices have been facilitated. Focus has been on attaining substantive results, with less emphasis on the establishment of common services facilities, although this is given due consideration continuously.

30. Cultural change is significant. Within the specialized technical areas, greatest successes have been achieved where such change has taken place: where interest, leadership, resources or will to cooperate have been insufficient, results have been negligible. Moreover, the important emphasis on client satisfaction has led to close scrutiny of all services, including those that were not selected for common service.

31. At the same time, this approach has been somewhat limiting in that without a specific top-down directive from an institutional standpoint, the harder choices, especially for the establishment of common services facilities, tend to be difficult to make. The fact that each organization has a plethora of competing demands (in particular budgetary or other institutional considerations) could make it difficult to outsource services to another organization, even with demonstrated potential cost saving. There is therefore an important decision to be made on how far the organizations should go in this respect, taking into account that there are prices to be paid for, as well as benefits to be derived from, moving this process further.

B. Legal services

32. The Office of Legal Affairs provides central services in the form of legal opinions and recommendations to the Secretariat and the funds and programmes on questions and issues of international, national, public, private and administrative law. A mechanism is already in place to determine the level of reimbursement to the Secretariat for legal services rendered. In April 1996, the Office of Legal Affairs established an inter-agency consultative arrangement with UNDP, UNICEF, UNFPA and UNOPS to provide a venue for the user organizations. Since this arrangement has been ongoing, the Task Force decided to discontinue the working group at the end of 1998.

C. Financial services (Treasury)

33. The Technical Working Group on Financial Services consists of the treasurers/controllers of UNDP, UNICEF, UNFPA and WFP who have agreed to focus their efforts on harmonizing and improving treasury procedures and exploring opportunities for cooperation and coordination in the areas of payroll, short-term investments, establishment of bank accounts/banking arrangements, payment systems (cheques and electronic transfers), cash transportation, foreign exchange management and infrastructure including information systems. Since its formation, the Technical Working Group has produced two documents that have been widely disseminated by the participating organizations for use in offices outside New York:

- "Best Practices for the Control of Cheque Issuance";
- "Best Practices for Offices Using Banknotes".

34. The former summarized key controls and procedures for safeguarding cheque stock and issuing cheques for all staff entrusted with the responsibility. The latter, which describes security guidelines for offices using cash, will be incorporated in the Security Operations Manual. In addition, arrangements are in place for agencies to consult with each other in instances where excess local currencies might

reasonably be transferred among agencies on an as-needed basis.

35. The Working Group has agreed to a final version on a common United Nations policy for investments developed by the United Nations Investment Policy Sub-Group, which has recently been adopted by the United Nations Secretariat for implementation. The Investment Committee of UNDP reviewed and took note of this new policy. The document was discussed in the CCAQ (Financial and Budgetary Questions) meeting in August 2000 and positive feedback was received from participants, thus opening opportunities for the specialized agencies to consider future acceptance. The adoption of common standards can be viewed as a step in the direction of possible common "back office" operations for the treasury in the future.

D. Procurement services

36. The Working Group on Procurement, which was under the convenership of UNOPS for the first two years (1997-1998) and has been under the convenership of UNFPA since 1999, has produced the most tangible outputs among all of the working groups.

37. In its continuing effort to promote procurement reform, the Working Group has developed a new, simplified framework of financial regulations and rules for procurement incorporating the concepts of Chief Procurement Officer and "value-for-money". UNDP, UNFPA and UNOPS have already adopted this new framework after approval by their respective Executive Boards. UNICEF has used this initiative to review its internal policy and surmised that its financial rules and regulations were flexible enough for adapting. The United Nations Secretariat intends to pursue this common services initiative in the context of the ongoing procurement reform.

38. The output of the Working Group is relevant to other organizations; therefore, the generic financial rules and regulations for procurement developed by the Working Group have been shared with the members of IAPWG and with the specialized agencies.

39. From the outset, the Working Group agreed to develop common arrangements drawing on other organizations' procurement and service contracts. The Working Group is developing a generic memorandum of understanding to facilitate the use of common procurement initiatives.

40. A competitive selection process for a joint contract for Headquarters office supplies, undertaken at the behest of the Procurement Division and the Travel and Transportation Service, has been completed. The members of the Working Group which include the Secretariat, UNDP, UNICEF, UNOPS and UNFPA are already benefiting from this joint contract. The Procurement Division, in partnership with the Working Group on Travel and Transportation, recently completed a similar exercise for a joint request for proposal (RFP) for travel agent services.

41. Ongoing common procurement efforts include a common service contract for leasing of photocopiers, which is nearing completion, and arrangements for joint purchasing of paper supplies and recycling of toner cartridges. A common freight-forwarding services contract under the lead arrangement of UNICEF is nearing completion. In addition, common contracting document formats, and common performance indicators for procurement are currently being developed, taking into account accepted criteria of efficiency, quality, volume and cost.

42. As noted earlier, a formal linkage has been established between the Executive Coordinator and IAPWG. This has enabled the Working Group to work closely with specialized agencies and international financial institutions that are members of IAPWG. Joint initiatives are under way in such areas as professionalism in procurement, procurement training, procurement ethics, a common vendor database, a common coding system, and development of generic long-term agreements.

E. Printing services

43. The Department of General Assembly Affairs and Conference Services provides printing services to various departments of the United Nations Secretariat at its plant in the main complex of the United Nations. It has the capability of printing products ranging from single-page parliamentary documentation to multicoloured posters and books. These services have been offered to the United Nations funds and programmes. However, these organizations, citing competitive market rates, ability to respond to specific technical demands and focus on customer services, continue to procure printing services on the open market.

44. In order to address constraints, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) requested the printing services to complete a baseline report on printing services that would include quantitative information on internal and external sourcing, total cost of printing facilities in both New York and Geneva, user demand and workload, internal measures taken to achieve economies of scale and proposals on how to reduce budgetary costs related to in-house printing. The Secretary-General's report on internal and external printing practices of the Organization (A/55/132) was submitted to the General Assembly on 15 September 2000.

45. In view of the lack of common objectives and outputs from the Working Group, the Task Force has agreed to discontinue it.

F. Facilities management

46. The concepts of common services in facilities management vary distinctively when applied to a self-managed Secretariat Building as opposed to the rented premises of the funds and programmes. The Technical Working Group on Facilities Management is under the convenership of UNDP. In order to establish common interests and objectives, the Technical Working Group examined office space planning, energy savings, assets management and generic standards for office furniture. The Technical Working Group has created sub-groups on energy savings and asset management to address specific concerns raised by user organizations.

47. A major achievement of the Working Group has been the acquisition and use of the United Nations Secretariat's facilities management software, Aperture/Link, by UNDP, UNFPA and UNICEF. The Secretariat is providing assistance in the installation and use of the system.

48. The Sub-Working Group on Energy Savings emphasized the importance of conducting professional energy audits for user organizations to identify opportunities for energy savings, which could result in user savings of approximately 15 per cent. The Sub-Working Group on Asset Management has proposed a common approach for disposing of obsolete personal computers within the Organization.

49. The Task Force has recently agreed to discontinue this Working Group in consideration of its recommendations to shift to functional networking arrangements. The Facilities Management networking group, which is now under the leadership of the Secretariat, organized an inter-agency workshop on benchmarking for performance measurement in September 2000.

G. Travel and transportation services

50. Prior to the inception of the common services effort, inter-organizational cooperation in this area existed under a user forum composed of the United Nations Secretariat, UNICEF and UNDP (which represented UNOPS and UNFPA). The forum evolved into the Technical Working Group on Travel and Transportation, adding UNOPS and UNFPA as members, and currently under the convenership of UNICEF.

51. The Working Group focused its efforts on completing an RFP process for a new United Nations travel service contract, covering all five participating organizations. This process was completed and a new contract is expected to be in place soon. In addition to the regular monitoring of transactions, regular quality service reviews with the travel agent conducted every trimester have been agreed to as part of the effort to improve performance in the delivery of travel services. The Working Group, together with the Working Group on Personnel Services, has reached an agreement on how to harmonize on the application of air travel standards as well as entitlements related to per diem, home leave and business class entitlements. A generic travel agency contract has been developed and distributed to various duty stations worldwide to serve as a model for negotiations.

52. The Technical Working Group participants are currently pooling their preferred airline carrier arrangements and will look into the possibility of acquiring new corporate card arrangements in partnership with the Working Group on Procurement.

H. Archives and records management

53. The Archives and Records Management Section (ARMS) is responsible for establishing policy and procedures relating to records management throughout the Secretariat and to United Nations paper-based and electronic archives requiring preservation, given their administrative, legal, historical or other value as

evidence of the Organization's official business. Archival records include those of the Secretariat and predecessor bodies, offices away from Headquarters and United Nations subsidiary organizations.

54. Currently, the Section provides storage for paper-based archival records in New York for UNICEF and UNFPA and is reimbursed proportionally. UNOPS and UNDP opted for commercial storage arrangements for their requirements. All of the participating organizations have requested advice on a common approach to identifying core records and have expressed support for establishing common retention and destruction schedules, as appropriate.

55. While undertaking a study on the feasibility of establishing common archives, the Working Group on Archives and Records Management, which is under the joint convenership of the Secretariat and UNICEF, identified 19 archives and records management issues. The study made three main recommendations: the establishment of a Coordinating Committee on Archives and Records Management; the development of an Archives Research Centre as a common service; and the development of a common strategy including digital archiving.

56. The working group is preparing a specific project proposal regarding the establishment of a common United Nations Archives Research Centre for consideration by the Task Force. The proposal will include terms of reference, planned objectives, and staffing and budgetary implications on the basis of which participating organizations can negotiate a service-level agreement to cover transfer and retrieval procedures; timeliness of access to their own records; researcher support; and metadata sharing. The possibility of establishing standards for electronic archiving will also be considered.

I. Security and safety services

57. The Security and Safety Service of the Office of Central Support Services is presently providing services to the nine different New York locations of the United Nations Secretariat, UNICEF, UNFPA, UNDP and the United Nations Institute for Training and Research (UNITAR). Owing to its central service character, the Task Force agreed to discontinue the technical working group and opt for alternative geographical networking involving office locations outside of New York together with the Office of the United Nations Security Coordinator (UNSECOORD).[2] As a result, a global Inter-Agency Security Networking Group has been established and recently conferred to agree on adopting policies pertaining to the use of physical force and firearms by United Nations Security Officers, a generic global policy on security uniforms and a proposed criterion on the selection of security staff for mission assignments.

J. Personnel services

58. The Working Group on Personnel Services comprises representatives from the Secretariat, UNDP, UNICEF, UNFPA and UNOPS,[3] and is under the convenership of the Secretariat. With an overall objective of identifying areas where harmonization of approaches to human resource management issues may be developed and applied, the Working Group initially developed an inventory of existing common services in the personnel area at Headquarters. The Working Group reviewed these with a view to identifying areas of possible improvement in quality and cost-effectiveness and defined areas where common approaches are required and can be pursued.

59. The Working Group's initial focus was on the development of common approaches to travel and shipping entitlements. In collaboration with the Working Group on Travel and Transportation, the Working Group on Personnel Services has recommended to the Task Force the harmonization of home leave travel practices, payment of the daily subsistence allowance (DSA), and air travel entitlements. Recommendations relating to harmonization of shipment calculations were endorsed by the CCAQ (Personnel and General Administrative Questions) (PER)) during its session in June-July 2000. The recommendations will result in an established common standard, a better understanding of staff entitlements, and decreased processing time.

60. Following an extensive review of entitlements for field personnel at high-risk duty stations, common principles and designated locations for rest and recuperation travel have been agreed upon and recommendations have been made with regard to special entitlements for these staff. Among other projects, work is ongoing on the implementation of the Special Operations Approach, which replaced and simplified the former Mission Approach.

61. The Working Group on Personnel Services is now looking into new areas, including work/life issues such as spouse employment, childcare issues and paternity leave. A major benefit has been the broad exchange of information among the organizations on these matters and the integration of this work with the United Nations human resources reform effort.

K. Integrated Management Information System

62. The purpose of the Integrated Management Information System (IMIS), approved by the General Assembly, is to develop an integrated system for the processing of and reporting on administrative actions at all major duty stations. The system is being developed and delivered in stages referred to as "releases". Release 1, comprising personnel applications, was installed at Headquarters in September 1993 and is currently in operation at all major duty stations of the Secretariat (Addis Ababa, Bangkok, Beirut, Geneva, Nairobi, Santiago and Vienna), as well as in the International Labour Organization (ILO), UNDP and UNICEF. It is estimated that 27,000 staff of the United Nations common system are now administered through IMIS. An improved version of release 2 on personnel entitlements was implemented at Headquarters in April 1998 and was operational at all United Nations duty stations as well as at UNDP and UNICEF by February 1999. Release 3, on finance and support service applications, was implemented at Headquarters in February 1999. It also contains changes introduced to meet special requirements of UNDP. Versions 3.4.2 and 3.4.3 were also implemented in 1999 and included enhancements to facilitate the processing of transactions and to facilitate implementation in offices away from Headquarters. Release 3, and subsequent upgrades, have already been implemented at the Economic Commission for Africa (ECA), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Western Asia (ESCWA), UNOG and UNOV. Release 4, comprising time and attendance, insurance and the whole payroll, is being implemented incrementally. The last component, payroll, was successfully released at Headquarters in September 2000. It is currently applied to a target group of staff while being run in parallel with the old system for the rest of the staff. It will be fully implemented by the end of 2000. Remote connectivity and a Web-enabled version are to be made available within a year.

63. IMIS has underscored the advantages of the use of common services by United Nations organizations. Despite the fact that there is an IMIS steering committee in place, a technical working group was required in order to provide a larger venue for other organizations. The working group has agreed to a new governance framework and management structure that incorporates elements of both central and common services. The proposal calls for the establishment of an inter-agency user committee that would provide feedback to the Secretariat on IMIS enhancements.

64. As a part of this new framework, the Substantive Interest Groups (SIGs) will serve as a mechanism for the ongoing management of IMIS. SIGs, composed of members from the various user organizations, have replaced the IMIS technical working group. The SIGs will serve as a mechanism to address the specific management of processes that relate to IMIS.

L. Information technology and telecommunications

65. Information technology coordination provides a fertile area for common initiatives that would benefit all organizations concerned. The mandates and different operational requirements of the various organizations make it necessary that such cooperation be established on an ad hoc, project basis. Initiatives are being undertaken, mainly at the level of exchange of information, for sharing of documentation (RFPs, requests for information, specifications and evaluation of contractors) within the framework of ISCC. Work is progressing to define the overall information technology policy of the Organization. This will provide further possibilities of cooperation with other organizations and, in particular, the funds and programmes. UNDP and UNICEF are being provided with access to the United Nations Intranet, and the United Nations is leading an effort of ISCC to create a United Nations system-wide Extranet. Bilateral and multilateral initiatives appeared more relevant than the working group approach. In light of this, coupled with difficulties encountered as a result of the lack of effective leadership, as well as missed opportunities in the early period of common services endeavours, the Task Force agreed to discontinue the working group.

III. Future steps

66. Future work will be guided by the principles that have prevailed so far and will focus on areas that will benefit most from the common services approach. Efforts will be made to proceed with the following initiatives:

1. Archives and records management: the establishment of a joint United Nations archives and research centre and the harmonization of policies and procedures related to archives and record-keeping;

2. Financial services: new arrangements for shared accounting services, continuation of efforts to establish a common treasury support unit or an alternative mechanism, and improvements in the present inter-agency accounting mechanisms;

3. Integrated Management Information Systems: including the development and implementation of the remaining releases of IMIS, implementation of effective long-term joint governance mechanisms and field connectivity;

4. Procurement: simplification of financial rules and regulations on procurement, adoption of the value-for-money concept and codes of conduct for procurement, continued coordination with IAPWG/the Inter-Agency Procurement Services Office (IAPSO) in such areas as common procurement training and professional certification;

5. Personnel services: harmonization of other staff entitlements particularly with respect to hardship duty stations;

6. Transport and travel services: periodic service reviews of travel agency services, adoption of innovative best practices with respect to staff entitlements and harmonization of staff travel entitlements.

67. The current practice of disseminating information updates to Vienna, Geneva, the regional commissions, the specialized agencies and United Nations offices away from New York, including UNU, will continue and will be further broadened. Efforts will be made to establish concrete collaboration with UNDG in the development of common services at the country office level. Emphasis will be placed on ensuring policy and procedural coherence with actions taken at Headquarters and on supporting ongoing field-based common services efforts within the context of UNDG. Additional emphasis will be placed on the adoption of best practices particularly in the areas with a potential for efficiency and effective gains within procurement, personnel and transport and travel services. As common services are highly location-specific and organizational buy-in is essential, the development of common services in Vienna, Geneva, the regional commissions and other United Nations offices away from New York must continue to be managed separately with the appropriate information-sharing mechanism in place.

68. The participating organizations agreed to pursue common services efforts on a cost-shared basis through a Common Services Support Unit in New York, for a period of two years starting September 2000. Under this arrangement, the Secretariat bears 40 per cent of the cost associated with the Common Services Support Unit, while UNDP, UNICEF, UNFPA and UNOPS jointly bear the remaining 60 per cent. The Secretary-General believes that this development is a clear manifestation of the interest and support that the common services initiative is receiving from the participating funds and programmes in New York.

69. Notwithstanding this development, the Task Force on Common Services is at a crossroads. It has become evident that it is not easy for working group members, who have full-time responsibility in the respective organizations, to carry out the additional tasks related to common services on a continuous basis. Experience has shown that success has been achieved in those working groups where there are good leadership and active participation. The current demand-driven process has its limitations. Without doubt, the originally conceived creation of common services facilities cannot become a reality if reliance on demand as well as on good will continues. While the Task Force was able to bank on the commonalities, the fact remains that there are some significant differences in practices and requirements between the Secretariat, which is under the purview of the General Assembly, and the funds and programmes, which are under the respective Executive Boards.

70. The time has come to conclude that the coordination approach has accomplished what could be expected. The close working relations that have been developed over the last three and a half years are a solid foundation for continued cooperation and coordination among the Secretariat and the funds and programmes. In turn, the Task Force will require a new

mandate if tangible results beyond those mentioned in paragraph 66 above are to be achieved, including the realization of the originally conceived common services facilities. With this in mind, the Task Force has introduced a two-year phase-out arrangement for the jointly funded Common Services Support Unit, without prejudice to its possible extension or expansion.

IV. Proposed actions submitted for consideration by the General Assembly

71. As stated clearly in both the most recent report of OIOS on the review of common services in the United Nations and the comments of JIU thereon (A/54/157/Add.1), the success of establishing common services, covering not only the United Nations and the funds and programmes, but also the specialized agencies, would depend very much on the resolve of the organizations to pursue this endeavour.

72. The General Assembly is requested to take note of the achievements as well as the constraints encountered to date and to note the reorientation and reprioritization of activities for the future. The Assembly is also encouraged to request the Secretary-General to report to it at its fifty-seventh session in 2002, on the progress made, and decisions taken, on the future of the Task Force on Common Services, bearing in mind the two-year time-frame of the Common Services Support Unit.

Notes

[1] The core members of the Task Force on Common Services are the Assistant Secretary-General for Central Support Services (Chairperson), the Executive Director of UNOPS, the Deputy Executive Director of UNICEF, the Assistant Administrator and Director, Bureau of Management of UNDP, the Deputy Executive Director for Policy and Administration of UNFPA, the Director of the WFP Liaison Office in New York and the Director of the UNHCR Liaison Office in New York. In addition, participating members of the Task Force based on their functional mandates are the Director of the General Legal Division of the Office of Legal Affairs of the United Nations Secretariat, the Director of the Management Policy Office of the Department of Management of the United Nations Secretariat and the Project Coordinator for Common Services of the Office of Central Support Services of the Department of Management.

[2] In this regard, it should be noted that security and safety are managed separately in New York, Geneva and Vienna.

[3] The activities of the Technical Working Group complement ongoing reform efforts in the area of human resources management which are an integral part of the Secretary-General's overall reform programme. The Secretary-General's report to the General Assembly on human resources management reform (A/53/414) describes the direction, current status and future actions proposed in the area of human resources management reform, including inputs derived from an expert task force established to advise the Secretary-General on priorities and strategies for change.

Annex

Common Services Strategy Paper

(January 1998)

I. Background and purpose

1. The reform objectives of the Secretary-General were outlined in his letter to the President of the General Assembly (A/51/829) of 17 March 1997. Responsibility for fleshing out the Secretary-General's proposals for common services approaches was assigned to the Under-Secretary-General for Administration and Management, who in turn requested the Assistant Secretary-General (Office of Central Support Services) to establish a Task Force charged with identifying concrete initiatives that would help achieve the Secretary-General's objectives in the common services area.

2. The Task Force, and the 11 working groups it commissioned, succeeded as a rapid-response mechanism, helping to quickly target a range of actions to be undertaken. Outputs from the Task Force were used to shape the Secretary-General's report to the General Assembly (A/51/950) of 14 July 1997 and subsequent status updates.

3. The appointment in October 1997 of an Executive Coordinator for Common Services and the assembly of a small support team provide a mechanism for ensuring that momentum generated by the Task Force is sustained. The process, however, is now at a point of transition that requires the development of an overall strategy; clarification of the roles and tasks of the various parties directly involved (the Executive Coordinator, the Task Force and the working groups); and identification of the linkages and relationships with other groups whose activities include or affect common services issues. The present annex is intended to serve as a starting point for consideration of these issues.

II. Basic principles

A. Mandate

4. The Under-Secretary-General for Management appointed the Executive Coordinator and commissioned the Task Force, and is therefore the individual to whom actions are reported and recommendations made by the Executive Coordinator. While the Executive Coordinator's mandate includes the Secretariat, and the funds and programmes, the spirit underlying the common services initiative reflects the desire to find practical ways of reinforcing the notion of "One United Nations" in which different entities, pooling resources and standardizing practices, can more easily and effectively draw from each other's respective strengths.

B. Common services: a working definition

5. The term "common services" has been used to describe a variety of service arrangements. The present proposals are based on a differentiation between two types of such services:

> **Central services** are those that are provided to various units within the same organization, and are carried out under a direct line of management authority that is within that organization;
>
> **Common services** are those that are provided, through various formal or informal mechanisms, to "client" organizations other than the providing organization. Management of such common services requires a responsiveness to the concerns of client organizations whose consent and cooperation are an essential element of the common services framework. There may be direct or indirect modalities of compensation extending from one organization to another for such services.

6. A service can be both central and common: in fact, common services would normally be based on an existing central service, particularly when a "lead agency" concept (that is to say, the concept of drawing from the recognized comparative advantage or capacity of one organization) is used. It can also be the case that an organizational unit that provides services to clients also performs normative functions that are not, strictly speaking, services to those clients. The performance of normative functions and the provision of client services

are two different (though potentially overlapping) roles that must be distinguishable from each other, in other words, both the provider and the client must know and agree on which role prevails in a given setting.

III. Elements of a strategy

7. The basic elements of a proposed initial common services strategy are outlined in the paragraphs below. As additional experience is gained, this initial strategy will be subject to refinement.

A. Improvement of central services

8. The United Nations must ensure that central services operate in a business-like, client-oriented manner. Efficient, flexible and cost-effective central services are essential, not only because of their practical and financial importance, but also because sound central services are the logical staging ground for the provision of common services.

9. Decisions with regard to central services can be taken and carried out more readily than those affecting common services, which require consultation and consensus-building.

10. Consequently, the Executive Coordinator will identify and promote expeditious implementation of improvements in central service mechanisms. The primary, though not exclusive, focus for this strategic element will be the United Nations Secretariat, where a sizeable number of central and common services are located. Lead agency mechanisms will provide the same challenge and opportunity to organizations other than the Secretariat to build from their areas of strength.

B. Promotion of common service approaches

11. As noted above, one of the key factors in respect of a common service is that the service provider and the client must agree on a relatively broad range of issues in order for the arrangements to be viable, including the scope of the services, quality and timeliness parameters, decision-making mechanisms, and compensation formulae. Reaching such agreements is particularly difficult when the organizations are using different operational instrumentalities, including regulations, rules and procedures.

12. Starting from the ongoing or potential common services areas identified by the Task Force and working groups, the Executive Coordinator will promote the development and utilization of common services approaches through:

- Establishing and/or supporting multi-organization common services planning, coordination and/or implementation groups;
- Developing evaluation criteria according to which choices can be made among common services modalities, including, inter alia, lead agency approaches, outsourcing, umbrella agreements and electronic procurement facilities;
- Pursuing the harmonization and/or synchronization of different operational instrumentalities.

C. Coordination of activities related to common services

13. A plethora of working groups, task forces, committees and individuals are working on topics that wholly or partly concern common services approaches, including, inter alia, the United Nations Development Group (UNDG), the Consultative Committee on Programme and Operational Questions (CCPOQ), the Consultative Committee on Administrative Questions (CCAQ), the Joint Consultative Group on Policy (JCGP) and the Inter-Agency Procurement Working Group (IAPWG). In addition, bodies such as the Board of Auditors, the Office of Internal Oversight Services (OIOS) and the Joint Inspection Unit (JIU) regularly address related topics. Greater clarity with regard to subject matter and accountability, and better coordination of initiatives and actions, will help provide a coherent and effective framework for achievement. At the same time, confusion, delay and gaps in issue coverage will be minimized.

14. The Executive Coordinator will develop an overview profile of all groups working on issues related to common services, and will propose, as appropriate, a coordinated division of labour that would optimize the return to the overall United Nations system on the resources invested and that would establish clear accountability for the various

components of reform and management enhancement activities.

D. Promotion of common services approaches beyond New York

15. It is expected that common services approaches will be promoted at as many locations as are practicable, including not only New York, Vienna, Geneva and Copenhagen, but also the regional commissions and country-level offices. While these dispersed initiatives can be encouraged and supported from New York, in close collaboration with other groups that are involved with these issues, real progress at other locations depends on applying the knowledge, staff resources and motivation of stakeholders based at those locations.

16. In order to strike a balance between spreading attention and resources too thinly, on the one hand, and underreaching, on the other, the Executive Coordinator will approach the extension of common services facilities to other locations by:

- Initially focusing primarily on developing objectives, time-frames and implementation modalities for New York common services initiatives;
- Establishing an information-sharing network with heads of offices, organizations and agencies in all major locations through which new initiatives can be encouraged and/or supported;
- Overseeing the replication in other locations of Task Force/working group arrangements similar to those in place in New York, and providing guidance and backstopping to them in their workings;
- Initiating common services pilot projects in Geneva, Vienna and other suitable locations, with Vienna being a probable initial candidate;
- Liaison with UNDG on country-level initiatives.

IV. Roles and relationships

17. For the foreseeable future, the Executive Coordinator/Task Force/working group framework provides a useful platform for at least New York-based common services initiatives. The roles of each of these participants and their relationships with each other in furthering the proposed strategy can benefit, however, from some clarification.

18. It may also be noted that human and financial resources available to the Executive Coordinator, Task Force and working groups are limited. Consequently, project proposals for extrabudgetary funding will from time to time be put forward.

Executive Coordinator for Common Services

19. The Executive Coordinator, individually and by way of the common services team that has been assembled, will:

- Coordinate and oversee implementation of the strategy outlined in this annex, including development and/or modification of it in light of experience gained;
- Liaise with and keep informed the heads of Departments, funds and programmes on common services issues;
- Promote implementation of central services improvements within the Secretariat, reporting thereon to Task Force members;
- Oversee development and obtainment of funding for common services project proposals;
- Chair the Task Force on Common Services;
- Establish, monitor and evaluate the effectiveness of working groups and other issue-specific mechanisms that may be put in place;
- Report on Task Force/working group activities to the Under-Secretary-General for Management and, as required, to other individuals or United Nations bodies.

Task Force on Common Services

20. The Task Force on Common Services will:

- Assist the Executive Coordinator in reviewing implementation of the common services strategy and in assessing any changes required in the strategy or in its modalities of implementation;

- Review proposals and recommendations put forward by the working groups on common services, including project proposals for outside funding;
- Recommend initiatives or actions that would establish or reinforce a common service, particularly those that will require commitments of cooperation, participation and human and/or financial resources from the organizations they are representing.

21. Representatives to the Task Force, within their organization, will assist in explaining and engendering support for initiatives/actions recommended for implementation by the Task Force.

Working groups of the Task Force on Common Services

22. Working groups are established or abolished by the Executive Coordinator with the concurrence of the Task Force. The Chairperson of a working group is appointed by the Executive Coordinator with the concurrence of the Task Force. As the working groups are not intended to be permanent, it is expected that the Chairperson will serve for as long as the working group is convened; this can be reviewed and revised upon the recommendation of the Executive Coordinator, the Task Force or the working group itself.

23. Working groups are responsible for:

- Fact-finding with regard to existing or potential central or common services;
- Recommendation of specific actions to be undertaken, along with timetable, estimate of resources required and definition of accountability for implementation;
- Liaison and/or coordination with other working groups, as appropriate;
- Identification and/or elaboration of common services projects suitable for outside funding;
- Exploring and reporting on concerns referred to the working group by the Task Force.